



House of Representatives

General Assembly

File No. 140

February Session, 2012

Substitute House Bill No. 5283

House of Representatives, March 27, 2012

The Committee on Human Services reported through REP. TERCYAK of the 26th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT WAIVING ADVANCE PAYMENT RESTRICTIONS FOR CERTAIN NURSING FACILITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-340c of the 2012 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) The Commissioner of Social Services may, upon the request of a
5 nursing facility providing services eligible for payment under the
6 medical assistance program and after consultation with the Secretary
7 of the Office of Policy and Management, make a payment to such
8 nursing facility in advance of normal bill payment processing. [
9 provided] Except as provided in subsection (b) of this section, (1) such
10 advance shall not exceed estimated amounts due to such nursing
11 facility for services provided to eligible recipients over the most recent
12 two-month period, [The] and (2) the commissioner shall recover such
13 payment through reductions to payments due to such nursing facility
14 or cash receipt not later than ninety days after issuance of such

15 payment. The commissioner shall take prudent measures to assure that
16 such advance payments are not provided to any nursing facility that is
17 at risk of bankruptcy or insolvency, and may execute agreements
18 appropriate for the security of repayment.

19 (b) For a nursing facility appointed a receiver under section 19a-543,
20 the commissioner may waive (1) the advance payment limitation, or
21 (2) the ninety-day deadline for recovery of advance payment
22 prescribed in subsection (a) of this section.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>from passage</i>	17b-340c
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Statement of Legislative Commissioners:

Section 1(b) was rephrased for statutory consistency and clarity.

HS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Social Services, Dept.	GF - Cost Shift Between Fiscal Years	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill could result in a Medicaid cost shift between fiscal years associated with accelerating Medicaid payments and delaying recoupment from nursing facilities in receivership. For example, if the Department of Social Services (DSS) waives the two month advance payment limit, the agency will increase annual Medicaid payments by paying more than they otherwise would within the current year. DSS may also waive the 90 day deadline for recovery of such payments, which would result in a longer recoupment period. However, while the bill could change the timeframe in which payments are made, it does not change the total payment amount over time. According to DSS, there were five facilities in receivership in FY 11 and one in FY 12 to date.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5283*****AN ACT WAIVING ADVANCE PAYMENT RESTRICTIONS FOR CERTAIN NURSING FACILITIES.*****SUMMARY:**

By law, the Department of Social Services (DSS) can make Medicaid payments (reimbursements) to nursing homes in advance of normal payment processing. The bill allows DSS to advance nursing homes that are in receivership more than the amount the nursing homes estimate they are owed for the most recent two months of care they provided to their Medicaid-eligible residents. It also allows DSS to waive the requirement that it recover these payments within 90 days of issuing them by reducing any future amounts it reimburses the home. By law, the homes must request these payments.

By law, the DSS commissioner must take prudent measures to assure that the department is not making such payments to a nursing home that is at risk of bankruptcy or insolvency, and may execute agreements appropriate for seeking the repayments.

EFFECTIVE DATE: Upon passage

BACKGROUND***Nursing Homes and Receivership***

The law requires the Superior Court to grant applications to have receivers appointed for a nursing home if the home:

1. is operating without a license under a suspended or revoked license;
2. intends to close and adequate arrangements for relocating its residents have not been made at least 30 days before the

intended closing date;

3. has sustained or is likely to sustain a serious financial loss or failure that jeopardizes the residents' health, safety, and welfare;
or
4. is violating the public health code or any other applicable state or federal law.

Related Bill

SB 233, favorably reported by the Human Services Committee, requires DSS to make advance payments to nursing homes, when they request them, when a facility is providing uncompensated care to residents whose Medicaid applications have been pending for more than 90 days or when DSS has not paid the home within 30 days of an approved application.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/16/2012)